

Chapter V Office Systems and Coordination

An essential part of performing a thorough program review is to evaluate an institution's systems and procedures for administering Title IV funds to determine if there are any systemic weaknesses. Discussions should be held with appropriate managers to identify how systems work, and whether there are any obvious weaknesses. The review of the school's records and processes will demonstrate whether the systems work as they are intended.

A. Offices

The following is a basic overview of the responsibilities of offices involved in the Title IV process at an institution:

The Admissions Office usually makes the initial determination of who is eligible to enroll, based on institutional, accrediting, or licensing requirements.

The Academic Advising/Student Counseling Office usually decides what program of study students are accepted into, based on information provided in the admissions process. This office may require adjustments to students' programs (e.g., requiring remedial coursework).

The Registrar/Records Office usually confirms enrollment criteria (e.g., confirms high school graduation), records and tracks students' status throughout their enrollment at the school.

The Financial Aid Office determines eligibility, awards financial aid, and authorizes the disbursement of funds;

The Bursar/Business Office/Student Account Office/Fiscal Office/Comptroller's Office usually bills students, disburses funds to students and/or their accounts, draws Federal funds, maintains fiscal records, and reports on the use of Federal funds;

A very small school may have two people coordinating all these processes, whereas a larger school will have a more complex and segmented organization. For example, a large school may have a Bursar's Office to handle student charges, disbursements, payments and refunds. However, a separate Comptroller's Office may be responsible for taking student disbursement information from the Bursar's Office in order to draw Federal funds, and for completion of reports. The school may even have a separate payroll office that maintains the records of payments made to students under FWS.

At some larger schools, reviewers may see several or all of the offices mentioned above combined into an enrollment management office. In such an office, staff is trained in all functions (admissions, financial aid, bursar, etc.) and is rotated to balance workloads. When reviewers encounter such schools, they should ensure that the school has considered some of the ramifications of this arrangement. An obvious example is the potential lack of separation of duties between awarding and disbursing of funds. Other possible ramifications could include conflicts of interest for individual staff members, such as an admissions counselor who also does financial aid giving preferential treatment to students that he or she has recruited.

Reviewers should determine as quickly as possible the structure of the organization to plan staff interviews. It is important to discuss with different managers how information passes between the various offices, and which office is responsible for what tasks (e.g., which office determines satisfactory academic progress? Is it the financial aid office, the registrar, or perhaps the bursar?)

Coordination of information within offices is also important. For example, many schools have students complete statements authorizing the retention of funds in excess of direct charges for budgeting assistance. How does the school track which students *don't* complete the retention authorization? The school may assume most students will sign the statement, and not worry about the few that don't. If the school doesn't track the students who did not sign this authorization and does not give those students their money, the school will have a credit balance problem.

B. Computer Systems

An institution must have systems that allow for the coordination of information between and within different offices. In many cases, computer systems will play a significant role in this coordination. All schools are now required to use computer systems to process financial aid. Some schools may only use Department-provided software such as EExpress and the Return to Title IV software for the relatively limited functions of calculating, processing, and disbursing Title IV aid. Other schools may have elaborate systems of their own that contain such information as grades, attendance records, student accounts, etc.

While the purpose of a program review is not an in-depth technical evaluation of a school's computer systems, it is important for reviewers to evaluate the interaction between automated systems and the financial aid process. In particular, reviewers should be looking for things that may impact the quality of the data contained in those systems. Reviewers should have school officials explain the major systems in use at the school and how those systems interact with each other. It may be helpful to ask for copies of any documentation that the institution may have on its systems, such as training manuals, data flow

diagrams, etc. If an institution does not have such documentation, or the documentation does not adequately explain the procedures for putting data into the system or the data contained in the system, the data may not be reliable. Some specific questions that need to be answered are:

- Who uses the different systems at the school and what do they use them for? If different offices use the same system, does everyone have access to the same data? (An example would be a mainframe system that has all of the school's records. Can financial aid officials see grades, attendance, or bursar's office data? If they can, how do they use this information?)
- Do the systems have security measures in place to protect the integrity and privacy of the data stored in them? For example, if the systems are on a network, are they password protected? Are data files stored on a secure server that would not allow unauthorized access? Do the applications that the school uses have safeguards to prevent users from changing data, such as ISIR data, that should not be changed? Does a segregation of duties exist at the system level? For example, if aid is both awarded and disbursed by a computer system, does this system have any safeguards in place that prevent the same person from awarding and disbursing aid?
- How does the school ensure that data is updated accurately and timely? If there are multiple systems that store the same data, how does the school ensure that those systems are synchronized? For example, some schools have instructors record attendance in paper books, but also have a computer system that records student attendance. How does the school get the records from paper to the electronic system? Does it do any verification that the electronic records are accurate? Other schools may have similar information on two different computer systems. If so, how do they ensure that both systems have accurate, up-to-date data?

Many schools use automated disbursement systems. Reviewers need to discuss with school officials how aid is identified for the computer to allow disbursement. For example, is it based on someone actually putting in an identifier to make an award disbursable? If so, what do they consider before they do that? Or, is it based on an automatic trigger – for example a previously missing verification document is coded as received, and the automated system moves the award(s) into the disbursement queue. If so, how do they control it to ensure the document is completely reviewed to make sure it confirms the student's eligibility, before the disbursement is triggered?

Reviewers should also determine how the school interacts with ED's systems such as the NSLDS, RFMS, and the Title IV WAN. In particular, reviewers should ask the school who accesses each of these systems and ensure that the

rules for accessing them are followed. For example, NSLDS requires that each individual who accesses it has his or her own user ID and password. To verify that this rule is being followed, reviewers could ask the school for a list of people who use the NSLDS and verify with NSLDS that those people have IDs and passwords.

In many cases, it will be necessary for reviewers to retrieve records from a school's electronic system to validate it themselves. When reviewing the school's electronic systems, it is extremely important that reviewers not do anything that could compromise the systems themselves or create the appearance that reviewers compromised the school's systems. Reviewers should avoid using the systems themselves and should have school officials perform all actions required to retrieve data from the systems. It may be beneficial for reviewers to directly observe this process, both to ensure the validity of the data being given to reviewers and to better understand the systems themselves.

Understanding the institution's procedures may help determine the cause of a problem when the responsibility for performing the task resides with more than one office. For example, untimely refunds may be the result either of 1) the registrar office's delayed determination that a student dropped out; 2) the FAO's delay in calculating the refund; 3) the business office's delay in issuing the refund check; or 4) possibly all of the above!

The complexity of the Title IV regulations and statutes requires continuous coordination of information between offices. The discussions of the focus review items in this guide provide some insight into specific systemic problems commonly encountered.